

November 5, 2001

Vice President Richard B. Cheney The Office of the Vice President The White House Washington, DC 20501

Dear Mr. Vice President:

As owners of a large coal-fired generating station in Utah which supplies power for 29 municipal utilities in Utah and California, we are extremely concerned about threats to reliability by the federal government. We are writing to express concerns about the growing impact on energy reliability resulting from reinterpretations of the New Source Review Program (NSR) under the Clean Air Act, and the specific threats to energy reliability in our community due to fears about making routine maintenance and repairs at electric utilities.

Utility managers are unsure of how to proceed with routine maintenance and repairs at their fossil-fuel electricity generation plants. Under EPA's new reinterpretation of NSR, EPA has alleged that all but the very simplest of repairs and routine maintenance cannot be made without triggering costly and unfair retrofit controls to reduce pollutants. As a result, utility managers are discouraged from making important maintenance, safety and performance improvements to their plants. This uncertainty could impact how a utility responds to electricity outages or in making seasonal repairs. Failure to undertake these activities could be a danger to the reliability of electricity supply and to the facility employees and to the community.

In light of these repair problems, we are worried about energy reliability in Utah and California—for residential, commercial, and industrial customers. Given our current economic and international situation, we urge you to break the ten-year logjam with the U.S. EPA on simplification and reform of this program.

There is a straightforward solution that would allow for immediate repair and maintenance activities to move forward in the short-term while the U.S. Environmental Protection Agency works on the larger issues contained in the NSR program. The utility industry needs a simple cost test to enable routine maintenance and repair decisions to be made without confusion or

480 EAST 6400 SOUTH ◆ SUITE #200 ◆ MURRAY, UTAH 84107 TELEPHONE: 801 263 7320 ◆ FACSIMILE: 801 263 7377 <u>delays which could lead to reliability problems.</u> This cost test should not discriminate between investor-owned electric utilities, publicly-owned electric utilities or cooperatively-owned electric utilities. All energy sources are needed as we face the winter of 2002 with growing international demands on domestic energy supplies.

We urge your office to communicate the immediate need for a cost test on NSR to the U.S. EPA.

Thank you for your attention in this very important matter.

Sincerely,

Ray Farrell

Chairman, IPA Board of Directors

Clifford C. Michaelis

Treasurer, IPA Board of Directors

cc: Administrator Christine Todd Whitman

U. S. EPA

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